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6 Attorneys for Sam Leslie,
Chapter 7 Trustee

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **LOS ANGELES DIVISION**

11 In re
12 COLDWATER DEVELOPMENT, LLC,
a California limited liability company,
13 Debtor.

14
15 In re
16 LYDDA LUD, LLC, a California limited liability
company,
17 Debtor.

- 18
19
20 ☒ Affects both Debtors.
21 ☐ Affects Coldwater Development LLC only.
22 ☐ Affects Lydda Lud, LLC only.
23 Debtors.

Case No. 2:21-bk-10335-BB

Chapter 7

Jointly Administered with
Case No. 2:21-bk-10336-BB

**NOTICE OF MOTION BY CHAPTER 7
TRUSTEE TO:**

**(I) APPROVE SALE OF PROPERTY FREE
AND CLEAR OF ALL LIENS, INTERESTS,
CLAIMS, AND ENCUMBRANCES,
EXCEPT AS OTHERWISE PROVIDED IN
THE PURCHASE CONTRACT,
PURSUANT TO 11 U.S.C. §§ 363(b) AND (f);**

**(II) DETERMINE THAT BUYER IS
ENTITLED TO PROTECTION PURSUANT
TO 11 U.S.C. § 363(m); AND**

(III) PROVIDE RELATED RELIEF

Hearing:

Date: March 30, 2022

Time: 10:00 a.m.

Place: Courtroom 1539

United States Bankruptcy Court
255 E. Temple Street
Los Angeles, CA 90012

1 **TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY JUDGE,**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, DEBTORS AND THEIR COUNSEL**
3 **OF RECORD, CREDITORS, AND ALL OTHER INTERESTED PARTIES:**

4 **PLEASE TAKE NOTICE** that on **March 30, 2022 at 10:00 a.m., in Courtroom 1539 of**
5 **the above-entitled Bankruptcy Court**, Sam S. Leslie, the duly appointed and acting chapter 7
6 trustee (the “Trustee”) for the bankruptcy estates (“Estates”) of Coldwater Development, LLC
7 (“Coldwater Debtor”) and Lydda Lud, LLC (“Lydda Debtor”) (together, the “Debtors”), hereby
8 moves this Court for an order approving of and authorizing the sale (the “Sale”) of real property, as
9 described in the Purchase Contract and Receipt for Deposit, attached to the Declaration of Sam S.
10 Leslie (the “Leslie Decl.”) as **Exhibit 1** (the “Purchase Contract”), including Land, Appurtenances,
11 Mineral Rights, Improvements, and Appurtenances (collectively, and as further described in the
12 Purchase Contract, the “Property”) to Castle Real Estate, LLC (“Buyer”), pursuant to sections
13 363(b)(1) and (f) of Title 11 of the United States Code (the “Bankruptcy Code”), free and clear of all
14 interests, including without limitation, liens, claims, encumbrances, leases, tenancies and other
15 occupancies, options to purchase, agreements to sell, rights of first refusal or first offer (or any rights
16 similar to the foregoing), rights of redemption, pledges, and charges (collectively, the “Claims,
17 Rights, and Encumbrances”), except as otherwise provided in the Purchase Contract, with the
18 unassigned Claims, Rights and Encumbrances to attach to the Sale proceeds, with the same priority
19 and rights of enforcement as previously existed.

20 The Trustee seeks Court approval to sell the Property to the Buyer pursuant to the terms of
21 the Purchase Contract attached to the Motion as **Exhibit 1**. The Trustee requests the Court
22 determine that the Buyer is entitled to a good faith determination pursuant to section 363(m) of the
23 Bankruptcy Code. In addition, the Trustee requests that the Court grant certain related relief
24 pursuant to the Bankruptcy Code and/or applicable law as set forth in the Motion.

25 **PLEASE TAKE FURTHER NOTICE** that the following disclosures are made pursuant to
26 Local Bankruptcy Rule 6004-1(c)(3):¹

27 _____
28 ¹ The following contains general summaries of the pertinent provisions of the Purchase Contract, attached to
the Motion as **Exhibit 1** and incorporated herein by this reference. It does not, nor does it intend to, in any
way, amend or alter the provisions contained in the Purchase Contract. In the event of a conflict, the Purchase
Contract controls in all respects.

1 1. Sale Price: Trustee proposes to sell the Property to the Buyer, subject to Court
2 approval, for \$689,320, plus the Buyer's Premium of \$1,010,680, for a total purchase price of
3 \$1,700,000 ("Purchase Price"). Additionally, the Buyer is assuming all of the estates' pre-closing
4 property taxes related to the Property.

5 2. Asset to be Sold: The Property, as defined in the Purchase Contract.

6 3. Earnest Money Deposit: Prior to the Auction, the Buyer remitted a deposit of
7 \$250,000 to the Trustee (the "Deposit").

8 4. No Representations or Warranties: The Property will be sold by the Trustee on an
9 **"As-Is, Where Is, With All Faults"** basis in its present condition, with no representations or
10 warranties of any kind or character, express or implied, whatsoever.

11 5. Contingencies: As of the date of filing this Motion, any contingencies have been
12 removed, and Buyer has funded the Deposit.

13 6. Free and Clear, Permitted Exceptions: The Sale of the Property shall be free and clear
14 of Claims, Rights, and Encumbrances, except as provided for the Purchase Contract. Pursuant to the
15 Purchase Contract, the transfer of the Property shall be by Quitclaim Deed and is subject to the
16 following Claims, Rights, and Encumbrances: (a) all unpaid property taxes, (b) covenants,
17 conditions and restrictions of record, (c) easements of record, and (d) local, state and federal laws,
18 ordinances or governmental regulations, including but not limited to, building and zoning laws,
19 ordinances and regulations, now or hereafter in effect relating to the Property (collectively, the
20 "Permitted Exceptions"). **Additionally, as set forth in the Purchase Contract, the Buyer is**
21 **acquiring ownership of the Property subject to the lien, security interest, and deed of trust of**
22 **Give Back, LLC (the "Give Back Obligation").**

23 7. Liquidated Damages, Buyer Default: If, after Bankruptcy Court approval of the Sale
24 to Buyer, the Buyer fails to complete the purchase contemplated by the Purchase Contract, the
25 Trustee shall retain the Deposit as liquidated damages.

26 8. Closing Costs: Buyer will pay closing costs, including but not limited to,
27 document preparation fees, documentary transfer taxes, and its portion of escrow fees. The
28 Trustee will pay standard coverage title insurance premiums and his portion of the escrow fees.

1 9. Close of Escrow: Escrow shall close on or before the date which is fourteen (14)
2 days after the date upon which the order approving the Sale (the “Sale Order”) becomes a final, non-
3 appealable order of the Bankruptcy Court; provided that in no event shall the close of escrow occur
4 later than May 31, 2022.

5 10. Bankruptcy Court Jurisdiction: The United States Bankruptcy Court for the Central
6 District of California shall have exclusive jurisdiction to interpret and enforce the Purchase Contract.

7 11. Tax Consequences: The Trustee expresses no opinion as to whether there are tax
8 consequences to the Sale.

9 **PLEASE TAKE FURTHER NOTICE** that, if you do not oppose this Motion, you need
10 take no further action. If you wish to oppose the motion, in accordance with the Bid Procedures
11 Order [Doc. 267] you must file your response no later than March 29, 2022. Replies may be made
12 orally at the hearing. Furthermore, pursuant to Local Bankruptcy Rule 9013-1(f), your opposition
13 must be in the form of a brief written statement of all reasons in opposition along with a
14 memorandum of points and authorities and all documentary evidence upon which the responding
15 party intends to rely. The written opposition must conform to the Local Bankruptcy Rules, and must
16 be filed with the Bankruptcy Court Clerk at the United States Bankruptcy Court, 255 East Temple
17 Street, Los Angeles, California 90012, and must be served upon the Trustee’s counsel, David Seror
18 and Jessica L. Bagdanov at BG Law, LLP, 21650 Oxnard Street, Suite 500, Woodland Hills,
19 California 91367, and on the Office of the United States Trustee, located at 915 Wilshire Blvd., Suite
20 1850, Los Angeles, CA 90012.

21 **PLEASE TAKE FURTHER NOTICE** that the full Motion is on file with the Court and
22 may be reviewed during regular business hours in the Clerk’s Office of the United States Bankruptcy
23 Court, 255 East Temple Street, Los Angeles, California 90012, or by contacting the undersigned.

24 **PLEASE TAKE FURTHER NOTICE** that the failure to timely file and serve any
25 opposition or objection to the Motion may be deemed by the Court to be consent to the relief
26 requested in the Motion.

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1 **WHEREFORE**, the Trustee respectfully requests that the Court enter an order substantially
2 in the form of order attached to the Purchase Contract, granting the Motion and providing the
3 following:

4 1. Finding that notice of the Motion was adequate and proper under the Bankruptcy
5 Code, the Bankruptcy Rules and the Local Bankruptcy Rules for the Central District of California;

6 2. Authorizing sale of the Property to Buyer, pursuant to sections 363(b) and (f) of the
7 Bankruptcy Code, free and clear of Claims, Rights, and Encumbrances, except as otherwise provided
8 in the Purchase Contract, with the Claims, Rights and Encumbrances to attach to the Sale proceeds,
9 with the same priority and rights of enforcement as previously existed;

10 3. Authorizing the Trustee to execute any and all documents that may be necessary or
11 convenient to consummate the Sale, including the authority to execute quitclaim deed(s) on behalf of
12 the Estates;

13 4. Authorizing sale of the Property to Buyer on the terms and conditions set forth herein,
14 on an **AS-IS, WHERE-IS** basis, without any representations or warranties by the Trustee;

15 5. Authorizing payment through escrow of closing costs consisting of the cost of a
16 standard coverage title insurance policy and the Trustee's portion of escrow fees;

17 6. Authorizing payment through escrow of the Market and Sale Expense;

18 7. Authorizing payment through escrow of the Buyer's Premium as provided for above
19 (in part to the Estates and in part to the Auctioneer);

20 8. Authorizing payment through escrow of the claim of LC Engineering Group, Inc.
21 pursuant to the terms of the Court-approved stipulation [Doc. 264];

22 9. Authorizing the Trustee to hold the balance of the Sale proceeds pending further
23 order of the Court;

24 10. Finding that the Buyer is a good faith purchaser of the Property pursuant to section
25 363(m) of the Bankruptcy Code and is entitled to all benefits and protections provided thereby; and

26 ///

1 11. Granting such further relief as may be just and appropriate under the circumstances of
2 this case.

3
4 DATED: March 25, 2022

BG LAW LLP

5
6 By: /s/ Jessica L. Bagdanov

David Seror

Jessica L. Bagdanov

Attorneys for Sam Leslie, Chapter 7 Trustee

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9 NOTICE MAILED: March 25, 2022.
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
21650 Oxnard Street, Suite 500, Woodland Hills, CA 91367.

A true and correct copy of the foregoing document entitled: **NOTICE OF MOTION BY CHAPTER 7 TRUSTEE TO: (I) APPROVE SALE OF PROPERTY FREE AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS, AND ENCUMBRANCES, EXCEPT AS OTHERWISE PROVIDED IN THE PURCHASE CONTRACT, PURSUANT TO 11 U.S.C. §§ 363(B) AND (F); (II) DETERMINE THAT BUYER IS ENTITLED TO PROTECTION PURSUANT TO 11 U.S.C. § 363(M); AND (III) PROVIDE RELATED RELIEF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **March 25, , 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Eryk R Escobar eryl.r.escobar@usdoj.gov
- M Douglas Flahaut flahaut.douglas@arentfox.com
- Eric J Fromme efromme@tocounsel.com, stena@tocounsel.com
- Asa S Hami ahami@sulmeyerlaw.com, pdillamar@sulmeyerlaw.com;pdillamar@ecf.inforuptcy.com; cblair@sulmeyerlaw.com;ahami@ecf.inforuptcy.com
- Christopher J Harney charney@tocounsel.com, stena@tocounsel.com
- Sam S Leslie (TR) sleslie@trusteeleslie.com, trustee@trusteeleslie.com;C195@ecfcbis.com
- Daniel A Lev dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com;dlev@ecf.inforuptcy.com
- William N Lobel wlobel@tocounsel.com, jokeefe@tocounsel.com;sschuster@tocounsel.com
- Aram Ordubegian ordubegian.aram@arentfox.com
- Ronald N Richards ron@ronaldrichards.com, morani@ronaldrichards.com
- David Seror dseror@bg.law, ecf@bg.law
- Annie Y Stoops annie.stoops@arentfox.com, yvonne.li@arentfox.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov
- Dylan J Yamamoto dylan.yamamoto@arentfox.com
- Robert M Yaspan court@yaspanlaw.com, tmenachian@yaspanlaw.com

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **March 25, 2022**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

****JUDGE'S COPY UNDER 25 PAGES IS SUSPENDED (GENERAL ORDER 21-05).**

Honorable Sheri Bluebond
United States Bankruptcy Court
255 East Temple Street, Suite 1534
Los Angeles, CA 90012-3332

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

March 25, 2022
Date

Mela Galvan
Printed Name

/s/ Mela Galvan
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

2. SERVED BY UNITED STATES MAIL:

Coldwater Debtor

Coldwater Development LLC
11301 W. Olympic Blvd. #537
Los Angeles, CA 90064

Lydda Lud Debtor

Lydda Lud, LLC
11301 W. Olympic Blvd. #537
Los Angeles, CA 90064

Lienholder

Los Angeles County Treasurer and
Tax Collector
Bankruptcy Unit
PO Box 54110
Los Angeles CA 90054-0110

Interest Holder

State of California Department of
Industrial Relations
6150 Van Nuys Blvd # 105
Van Nuys, CA 91401

Interest Holder

California Department of Industrial
Relations
Division of Workers Compensation
Uninsured Employer Benefits Trust
Fund
1515 Clay Street, 7th Floor
Oakland, CA 94612

Interest Holder

California Department of Industrial
Relations
Division of Workers Compensation
UEF-Collection Unit
P.O. Box 429397
San Francisco, CA 94142-9397

Lienholder

Give Back LLC
P.O. Box 11480
Beverly Hills, CA 90213

Interest Holder

RAL Design and Management Inc.
Russell Linch
25031 W. Avenue Stanford
Unit 100
Valencia, CA 91355

Lienholder

Mountains Recreation & Conservation
Authority
c/o James Yeramian, Clerk of
Governing Board
5750 Ramirez Canyon Road
Malibu, CA 90265

Lienholder

Mountains Recreation & Conservation
Authority
Conejo Recreation and Park District
c/o James Yeramian, MRCA
403 W Hillcrest Drive
Thousand Oaks, CA 91360

Interested Party

Mohamed Hadid
638 North Faring Road
Bel Air, CA 90077

Interested Party

Mohamed Hadid
11301 W. Olympic Blvd. #537
Los Angeles, CA 90064

Taxing Authority

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

Taxing Authority

Internal Revenue Service
ATTN Insolvency
24000 Avila Road
Mail Stop 5503
Laguna Niguel, CA 92677-3405

Taxing Authority

Franchise Tax Board
Bankruptcy Section MS: A-340
P.O. Box 2952
Sacramento, CA 95812-2952

Taxing Authority

Franchise Tax Board Chief Counsel
c/o General Counsel Section
P.O. Box 1720, MS: A-260
Rancho Cordova, CA 95741-1720

Prior Broker

Hilton & Hyland
Attn: Rodrigo Iglesias
257 North Canon Drive #200
Beverly Hills, CA 90210

Buyer

Castle Real Estate, LLC
c/o Eisner, LLP
Attn: Michael Eisner
9601 Wilshire Boulevard, 7th Floor
Beverly Hills, CA 90210

Buyer

Castle Real Estate, LLC
c/o Pachulski Stang Ziehl & Jones
Attn: Ira Kharasch
10100 Santa Monica Blvd.
13th Floor
Los Angeles, CA 90067-4003

2. SERVED BY UNITED STATES MAIL:

DEBTORS' CREDITORS

Bel Air Project LLC
9454 Wilshire Blvd. #320
Beverly Hills, CA 90212

Law Offices of Adulaziz, Grossbart
and Rudman
6454 Coldwater Canyon Ave.
North Hollywood, CA 91606

Aram Ordubegian **VIA NEF**
Arent Fox LLP
555 West Fifth Street, 48th Floor
Los Angeles, CA 90013-1065

Closing Agents Escrow, Inc. **VIA NEF**
c/o Law Offices of Robert M. Yaspan
21700 Oxnard Street Suite 1750
Woodland Hills, CA 91367-7593

LEA Accountancy, LLP
1130 S. Flower Street
Suite 312
Los Angeles, CA 90015-2143

Permits Unlimited
4340 Caleta Rd.
Agoura Hills, CA 91301

Construction Enterprise & Services
11301 W. Olympic Blvd. #537
Los Angeles, CA 90064

Lennie Liston, Esq.
PE, QSD/QSP - President
LC Engineering Group, Inc.
889 Pierce Court, Suite 101
Thousand Oaks, CA 91360

Securities & Exchange Commission
444 South Flower St., Suite 900
Los Angeles, CA 90071-2934

Employment Development Dept.
Bankruptcy Group MIC 92E
P.O. Box 826880
Sacramento, CA 94280-0001

Lincoln Resorts an AZ Joint
Venture Prt
c/o Freeman Freeman & Smiley LLP
1888 Century Park East St 1500
Los Angeles CA 90067

Shahbaz Law Group
15760 Ventura Blvd., Ste. 850
Encino, CA 91436

First Credit Bank,
a California banking corporation
9255 Sunset Blvd.
West Hollywood, CA 90069

Los Angeles Department of Water
and Power
P.O. Box 51111
Los Angeles, CA 90051

Tree Lane LLC
11301 W. Olympic Blvd. #537
Los Angeles, CA 90064

Land Phases Inc.
5158 Cochran St.
Simi Valley, CA 93063

Office of Finance
City of Los Angeles
200 N Spring St RM 101 City Hall
Los Angeles CA 90012-3224

Treetop Development LLC
11301 W. Olympic Blvd. #537
Los Angeles, CA 90064

Larry A. Rothstein
2945 Townsgate Rd., Suite 200
Westlake Village, CA 91361